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February 3, 2025

Ms. Cindy Klimke, CPA
Chief Trust Finance Officer
State of Wisconsin
Department of Employee Trust Funds
4822 Madison Yards Way
Madison, Wisconsin 53705-9100

RE: State and Local Income Continuation Insurance Audit Reports

Dear Cindy,

Thank you for providing Milliman the audit reports developed by Segal for the State and Local Income Continuation Insurance (ICI) plans. Segal performed an audit of the actuarial valuation performed by Milliman for the State and Local ICI plans as of December 31, 2023. After reviewing the audit reports, we believe Segal's conclusions and recommendations are reasonable. Thus, we will include the following tasks in future valuation analysis for the State and Local ICI plans, based on Segal's recommendations:

- We will disclose whether any of the assumptions have a significant bias to underestimation or overestimation, particularly regarding the State and Local ICI claim termination rate assumptions.
- We will disclose whether the estimated liabilities for the State and Local ICI plans are intended to be conservative, best estimate, or another measure of results.
- We will include a funding projection scenario that provides sensitivity to demographic assumptions for the State and Local plans.
- We will include a funding projection scenario that provides sensitivity to investment income assumptions for the Local plan.

General

This letter has been prepared for Wisconsin ETF for the specific purpose of responding to Segal's audit report for the State and Local Income Continuation Insurance plans as of December 31, 2023. This letter may be shared with Segal, but it may not be distributed to any other party without the written consent of Milliman. Any distribution of this letter should be in its entirety.

Segal's audit report was provided to Milliman by ETF. We have reviewed the report and included our observations in this letter. If any information in Segal's report is inaccurate or incomplete, the observations could be affected, and this letter may need to be revised.

I, Paul Correia, am a consulting actuary with Milliman, Inc. I am a member of the American Academy of Actuaries and I meet its Qualification Standards to provide the actuarial opinion contained herein.

* * *

Please let me know if you have any questions. I can be reached at (207) 771-1204 or paul.correia@milliman.com. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Paul Correia".

Paul Correia, FSA, MAAA
Principal and Consulting Actuary

c.c. Ilana Sullivan (ETF) Max Berube, Dan Skwire (Milliman)